

CABINET

18 December 2017

Minutes of the Cabinet meeting held at the Town Hall, Bexhill-on-Sea on Monday 18 December 2017 at 4:35pm.

Cabinet Members present: Councillors C.R. Maynard (Leader), Lord Ampthill, A.E. Ganly, Mrs S. Hart, I.R. Hollidge, Mrs J.M. Hughes, I.G.F. Jenkins, G.P. Johnson and M.J. Kenward (Deputy Leader) and Mrs E.M. Kirby-Green.

Other Members present: Councillors Mrs M.L. Barnes, G.S. Browne, J.J. Carroll, S.D. Elford, R.V. Elliston, J.M. Johnson, B. Kentfield, P.N. Osborne, J. Potts, Mrs S.M. Prochak (in part), C.J. Saint, G.F. Stevens (in part) and M.R. Watson.

Advisory Officers present: Executive Director of Resources, Executive Director of Business Operations, Service Manager – Finance and Welfare, Service Manager – Strategy and Planning, Financial Services Manager and Democratic Services Officer.

Also present: 3 members of the public.

Publication Date: 20 December 2017

The decisions made under PART II will come into force on 5 January 2018 unless they have been subject to the call-in procedure.

CB17/54. **MINUTES**

The Chairman was authorised to sign the minutes of the meeting held on 4 December 2017 as a correct record of the proceedings.

PART I – RECOMMENDATIONS TO COUNCIL – not subject to call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules.

CB17/55. **EXAMINER'S REPORT INTO THE SEDLESCOMBE
(7.1) NEIGHBOURHOOD DEVELOPMENT PLAN 2016-2028**

The report of the Executive Director of Business Operations updated Members on the Examiner's findings regarding Sedlescombe's Neighbourhood Development Plan (SNDP) 2016-2028. The SNDP had been examined to ensure that it met 'basic conditions' and various legal requirements in order to proceed to referendum. During examination, the Examiner held an oral hearing, considered written representations and substantive assessments of 11 Policies, as well as the Strategic Environmental Assessment and "process"

representations. A copy of the Examiner's findings was attached to the report at Appendix 1.

Members noted and considered the recommended amendments which were detailed as follows:

- area of 16 houses with associated provision be incorporated into the new development boundary, while all the remainder be designated as 'Local Green Space';
- to remove the land at Balcombe Green (currently not available or deliverable);
- to clarify the number of houses at land at Sunningdale and provide flexibility regarding retention of the existing dwelling;
- to refer to the priority habitat affecting the land at Pestalozzi and land at Sedlescombe Sawmills;
- to highlight that access provision of sites close together north of the village should not prejudice access to others;
- to clarify that the scale of housing at land at Sedlescombe Sawmills and land adjacent to St John the Baptist Church should be the 'minimum' required for cross-subsidy purposes, the latter also being recognised as Grade II Listed Building; and
- to retain the land at Church Hill Farm, north of Village Hall.

A full draft of the SNDP with modifications was detailed in Appendix 2 appended to the report.

The Service Manager – Strategy and Planning advised should there be majority support for the SNDP at referendum, Rother would be obliged to formally make it part of the statutory development plan. Members also noted that the development boundary for Sedlescombe as defined in the Rother District Local Plan would be superseded, that Sedlescombe Parish Council would receive 25% Community Infrastructure Levy receipts from future developments, and that the referendum would be held in early March 2018.

Cabinet considered the Examiner's findings, officers' comments, acknowledged Sedlescombe Parish Council's support of the amendments and noted the proposed referendum area of Sedlescombe Parish. Following discussion, Members agreed that the modified SNDP be put forward to full Council for ratification and proposed it proceed to local referendum in March 2018 to the residents of Sedlescombe Parish.

Members congratulated Sedlescombe Parish Council for all their hard work and for being the first Parish Council in the district to produce a Neighbourhood Plan ready for referendum.

RECOMMENDED: That the Sedlescombe Neighbourhood Development Plan 2016-2018 incorporating the Examiner's modifications, as set out at Appendix 2 to the report, proceed to local Referendum as recommended by the Examiner.

PART II – EXECUTIVE DECISIONS – subject to the call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules by no later than 4:00pm on 4 January 2018.

CB17/56. **DRAFT REVENUE BUDGET 2018/19**
(6.1)

Consideration was given to the report of the Executive Director of Resources on the preparation of the draft Revenue Budget for 2018/19. The report outlined the likely financial position and key issues that Members needed to consider as part of the budget setting process. In 2016/17, the Government offered the Council a four year grant settlement, which was accepted. It was therefore assumed that the proposed 2018/19 settlement would be in accordance with agreed methodology announced at that time. Appended to the report were details of the summary draft Revenue Budget, the summary information for each service area and the main changes from the 2018/19 budget.

All budgets were shown as “Net Operational Expenditure Levels” which excluded capital charges, central costs and support service recharges. In addition, budgets were shown on a departmental basis which provided Members with a clear identifiable cost for each service.

The report detailed the amount of the Revenue Support Grant which the Council would receive during 2018/19 (final year). By 2019/2020, the Council would be reliant solely on income from business rates, council tax, charges for services and income generation.

The Government had issued the provisional business rate multipliers for 2018/19 which were 48p for small and 49.3p for larger businesses. The Government had announced that it was committed to working with local authorities to ensure 100% business rate retention. Members noted that the East Sussex Business Rate Pool would be reforming in 2018/19; Rother would be re-joining. The aim being that the reform would incentivise local government to attract more business into their areas with the prospect that the growth in business rates would be retained locally. It was noted that the “safety net” which protected against large reductions in revenue and the current system of top-up and tariffs would remain, however the current levy on gains would end.

The baseline calculated by the Government for Business Rate retention in Rother for 2018/19 was estimated as £2.29m. The net income, based on actual business rate income for the current year, was estimated to be £2.98m for 2018/19.

The business rates collection fund was predicted to be in deficit by approximately £0.336m however this would be recovered in 2018/19. The deficit was attributed to a large number of appeals settled during the year and the amount of relief given to small businesses which was higher than expected and compensated by section 31 grants. Based on the predicted deficit/surplus, the Government would meet/retain 50%, Rother District Council 40% (£0.134m), East Sussex County Council 9% and East Sussex Fire & Rescue 1%. Members noted that movements in business rates would have a significant impact on the

Council's income, highlighting the importance of delivering commercial regeneration.

Business Rates revaluation had been completed in April 2017 and the estimated retention was £2.98m which included compensatory grants in relation to additional reliefs previously granted by the Government. Nationally, it was anticipated that overall rateable values would reduce by 4.7% as a result of settling appeals and this had been factored into the forecast income.

The New Homes Bonus (NHB) was currently funded from the redistribution of business rate income. The actual baseline for 2018/19 would not be announced until the provisional settlement was known. At present, due to uncertainty of how it would be calculated no increase in income for NHB had been assumed in the 2018/19 budget.

The Council Tax Collection Fund was expected to be in a surplus of £0.603m, with the Council's share being £0.077m by the end of the financial year. The Council Tax base was calculated at 37,726.98 and showed an increase of 466 Band D equivalents over the 2017/18 figures. The increase was due to the number of properties on the ratings list and a reduction in the number of households claiming Council Tax Reduction Support.

The Government had reaffirmed the referendum limit as £5 or 2%, £5 would deliver a £186,305 increase, resulting in a 3% increase Council Tax charge of £174.32. A 1.94% increase could deliver £122,395 income based on 2017/18 tax base, with an average annual Council Tax charge increase from £169.32 to £172.60, an increase of £3.28 or six pence per week. Any increase above 2% or £5 would require a Referendum to be held and the cost to the Council would be approximately £60,000 to £70,000.

Uncertainty remained over the Government's proposal to allow councils to increase their planning fee charges by 20%. If applied, the Council could achieve additional income of £130,000.

The report also detailed budget assumptions which included inflation index rates, a 1% pay award from September 2018, predicted growth and income and transfers between budgets.

The net Revenue Budget before Government grants, use of reserves and other funding was expected to be £12.336m, a decrease of £538,000 over 2018/19. A summary of the Revenue Budget and Council Tax calculations and the net cost of services were appended to the report.

The draft Revenue Budget for 2018/19 utilised £728,000 of reserves to meet specific costs. Of this £438,000 would be used to support capital expenditure. The draft Revenue Budget identified savings in excess of £600,000; in order to balance the budget further use of reserves might be required in lieu of delivering an equivalent amount of savings.

The total predicted Earmarked Reserves by the end of March 2018, was estimated to be £14.3m plus a £1m General Fund balance. The minimum level of reserves was considered to be £5m.

The draft Revenue Budget showed an increase of £304,000 in the cost of services over the 2017/18 position. It was acknowledged that the Council had already achieved significant savings through the Council's 2020 programme and a further £290,000 additional income was projected by year end.

The Financial Services Manager advised that 73 responses so far had been received during the Budget Consultation process. The results identified that 70% supported a £5 rise, 22% supported no change and 8% supported no rise at all. Details of the full consultation would be reported to the Overview and Scrutiny Committee meeting on 29 January 2018. Thereafter the results would be presented to Cabinet and full Council in February 2018.

RESOLVED: That the draft Revenue Budget for 2018/19 be considered by the Overview and Scrutiny Committee at its meeting on the 29 January 2018.

CHAIRMAN

The meeting closed at 4:46pm

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